

SUBJECT: 2009 Amendment to SAFE Law  
Regarding CDARS or Similar Brokered Deposit Firm

DATE: July 1, 2009

The SAFE Office has recently received questions concerning the issuance of guidelines or rules concerning the amendment to the SAFE law passed during the most recent legislative session. A copy of the final text of the amendment is attached.

Please consider the following key points as you read the text:

- The deposit program described under this amendment will be offered by Alabama banks.
- Participation in the program by the public depositor is **optional** at the discretion and decision of the public depositor made strictly in coordination with the bank.
- Public deposits participating in this program **will not** be protected by the SAFE Program nor eligible to participate in the SAFE collateral pool or the Loss Payment Fund (see paragraph 8(e) of the text)

Public deposits placed in this program are outside the responsibility and authority of SAFE and the Treasurer's Office. As such, the SAFE Program will not provide rules or procedures regarding the deposit program.

We encourage SAFE member institutions to contact the Alabama Bankers Association or the Community Bankers Association of Alabama as applicable for further information on this amendment.